



Sen. Iris Y. Martinez

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09900SB1318sam001

LRB099 08893 MLM 33041 a

1 AMENDMENT TO SENATE BILL 1318

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1318 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance  
8 Code requirements. The program of health benefits shall provide  
9 the post-mastectomy care benefits required to be covered by a  
10 policy of accident and health insurance under Section 356t of  
11 the Illinois Insurance Code. The program of health benefits  
12 shall provide the coverage required under Sections 356g,  
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,  
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
15 356z.14, 356z.15, 356z.17, and 356z.22 of the Illinois  
16 Insurance Code. The program of health benefits must comply with

1 Sections 155.22a, 155.37, 355b, 355c, and 356z.19 of the  
2 Illinois Insurance Code.

3 Rulemaking authority to implement Public Act 95-1045, if  
4 any, is conditioned on the rules being adopted in accordance  
5 with all provisions of the Illinois Administrative Procedure  
6 Act and all rules and procedures of the Joint Committee on  
7 Administrative Rules; any purported rule not so adopted, for  
8 whatever reason, is unauthorized.

9 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,  
10 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)

11 Section 10. The Counties Code is amended by changing  
12 Section 5-1069.3 as follows:

13 (55 ILCS 5/5-1069.3)

14 Sec. 5-1069.3. Required health benefits. If a county,  
15 including a home rule county, is a self-insurer for purposes of  
16 providing health insurance coverage for its employees, the  
17 coverage shall include coverage for the post-mastectomy care  
18 benefits required to be covered by a policy of accident and  
19 health insurance under Section 356t and the coverage required  
20 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,  
21 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,  
22 356z.14, 356z.15, and 356z.22 of the Illinois Insurance Code.  
23 The coverage shall comply with Sections 155.22a, 355b, 355c,  
24 and 356z.19 of the Illinois Insurance Code. The requirement

1 that health benefits be covered as provided in this Section is  
2 an exclusive power and function of the State and is a denial  
3 and limitation under Article VII, Section 6, subsection (h) of  
4 the Illinois Constitution. A home rule county to which this  
5 Section applies must comply with every provision of this  
6 Section.

7 Rulemaking authority to implement Public Act 95-1045, if  
8 any, is conditioned on the rules being adopted in accordance  
9 with all provisions of the Illinois Administrative Procedure  
10 Act and all rules and procedures of the Joint Committee on  
11 Administrative Rules; any purported rule not so adopted, for  
12 whatever reason, is unauthorized.

13 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,  
14 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)

15 Section 15. The Illinois Municipal Code is amended by  
16 changing Section 10-4-2.3 as follows:

17 (65 ILCS 5/10-4-2.3)

18 Sec. 10-4-2.3. Required health benefits. If a  
19 municipality, including a home rule municipality, is a  
20 self-insurer for purposes of providing health insurance  
21 coverage for its employees, the coverage shall include coverage  
22 for the post-mastectomy care benefits required to be covered by  
23 a policy of accident and health insurance under Section 356t  
24 and the coverage required under Sections 356g, 356g.5,

1 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,  
2 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, and 356z.22 of the  
3 Illinois Insurance Code. The coverage shall comply with  
4 Sections 155.22a, 355b, 355c, and 356z.19 of the Illinois  
5 Insurance Code. The requirement that health benefits be covered  
6 as provided in this is an exclusive power and function of the  
7 State and is a denial and limitation under Article VII, Section  
8 6, subsection (h) of the Illinois Constitution. A home rule  
9 municipality to which this Section applies must comply with  
10 every provision of this Section.

11 Rulemaking authority to implement Public Act 95-1045, if  
12 any, is conditioned on the rules being adopted in accordance  
13 with all provisions of the Illinois Administrative Procedure  
14 Act and all rules and procedures of the Joint Committee on  
15 Administrative Rules; any purported rule not so adopted, for  
16 whatever reason, is unauthorized.

17 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,  
18 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)

19 Section 20. The School Code is amended by changing Section  
20 10-22.3f as follows:

21 (105 ILCS 5/10-22.3f)

22 Sec. 10-22.3f. Required health benefits. Insurance  
23 protection and benefits for employees shall provide the  
24 post-mastectomy care benefits required to be covered by a

1 policy of accident and health insurance under Section 356t and  
2 the coverage required under Sections 356g, 356g.5, 356g.5-1,  
3 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,  
4 356z.13, 356z.14, 356z.15, and 356z.22 of the Illinois  
5 Insurance Code. Insurance policies shall comply with Section  
6 356z.19 of the Illinois Insurance Code. The coverage shall  
7 comply with Sections 155.22a, ~~and~~ 355b, and 355c, of the  
8 Illinois Insurance Code.

9 Rulemaking authority to implement Public Act 95-1045, if  
10 any, is conditioned on the rules being adopted in accordance  
11 with all provisions of the Illinois Administrative Procedure  
12 Act and all rules and procedures of the Joint Committee on  
13 Administrative Rules; any purported rule not so adopted, for  
14 whatever reason, is unauthorized.

15 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,  
16 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)

17 Section 25. The Illinois Insurance Code is amended by  
18 changing Section 356z.16 and by adding Section 355c as follows:

19 (215 ILCS 5/355c new)

20 Sec. 355c. Confidential communications.

21 (a) As used in this Section,

22 "Claim-related information" means an explanation of  
23 benefits notice; information about an appointment, including a  
24 confirmation and a reminder; notice of an adverse benefit

1 determination; a company's request for additional information  
2 regarding a claim; a notice of a contested claim; the name and  
3 address of a provider; a description of services provided and  
4 other visit information; and any written, oral, or electronic  
5 communication from an insurer to a policyholder, certificate  
6 holder, or covered individual that contains personal health  
7 information.

8 "Company" means an entity that issues, delivers, amends, or  
9 renews an individual or group policy of accident and health  
10 insurance.

11 "Confidential communications request" means a request from  
12 a covered individual to a company that communications related  
13 to confidential health care services be sent directly to the  
14 covered individual at a specified mail or electronic mail  
15 address or specified telephone number designated by the covered  
16 individual and that the company refrain from sending  
17 communications concerning the covered individual to the  
18 policyholder or certificate holder.

19 "Confidential health care services" means any health care  
20 service that the recipient of the service is able to consent to  
21 under State or federal law.

22 "Covered individual" means any individual eligible for  
23 life or accident or health benefits under a policy.

24 "Personal health information" means information or data  
25 created by or derived from a provider about an individual that  
26 relates to the past, present, or future health condition of the

1 individual, the provision of health care to the individual, a  
2 request for the provision of health care to the individual, or  
3 the cost of or payment for health care provided to the  
4 individual.

5 (b) A company that issues, delivers, amends, or renews an  
6 individual or group policy of accident and health insurance on  
7 or after the effective date of this amendatory Act of the 99th  
8 General Assembly:

9 (1) shall accommodate a confidential communications  
10 request by a person covered by a policy issued by the  
11 company;

12 (2) may not reveal in any communication to a  
13 policyholder or certificate holder personal health  
14 information about confidential health care services that  
15 are subject to a confidential communications request;

16 (3) shall send any communication regarding  
17 confidential health care services subject to a  
18 confidential communications request directly to the  
19 covered individual who sought or received the services;

20 (4) shall permit any covered individual who sought or  
21 received confidential health care services to submit a  
22 confidential communications request;

23 (5) shall update a covered individual on the status of  
24 implementing a confidential communications request upon  
25 the covered individual's inquiry; and

26 (6) shall notify all covered individuals in a health

1 benefit policy offered or administered by the company about  
2 a covered individual's right under this Section to make a  
3 confidential communications request and the company's duty  
4 under this Section to provide communications regarding  
5 confidential health care services only to the covered  
6 individual who sought or received the services.

7 (c) A company subject to subsection (b) shall adopt  
8 procedures for covered individuals to make confidential  
9 communications requests. The procedures:

10 (1) must use the form described in subsection (e) of  
11 this Section;

12 (2) may not require the covered individual to explain  
13 why the covered individual is requesting confidential  
14 communications;

15 (3) shall ensure that the confidential communications  
16 request remains in effect until the covered individual  
17 revokes the request in writing or submits a new  
18 confidential communications request;

19 (4) shall ensure that the confidential communications  
20 request is acted upon and implemented by the company not  
21 later than 7 days after receipt of a request by electronic  
22 means or 14 days after receipt of a request in hard copy;

23 (5) shall require a company to immediately acknowledge  
24 receipt of a confidential communications request by  
25 contacting the covered individual who made the request by  
26 mail, telephone, or electronic means;

1           (6) may not require a covered individual to waive any  
2           right to limit disclosure under this Section as a condition  
3           of eligibility for or coverage under an accident and health  
4           insurance policy; and

5           (7) must be easy to understand and to complete.

6           (d) A provider may make an arrangement with a covered  
7           individual for the covered individual to pay to the provider  
8           any cost-sharing required under the policy and shall  
9           communicate the arrangement to the company.

10          (e) The Department shall develop and make available to the  
11          public a standardized form for a covered individual to use to  
12          make a confidential communications request. The Department  
13          shall encourage providers to clearly display the form and make  
14          it available to patients. The form must, at a minimum, allow a  
15          covered individual to:

16           (1) provide the name and address of the covered  
17           individual making the request;

18           (2) provide a description of the type of information  
19           and type of services that should not be disclosed;

20           (3) indicate whether communications should be withheld  
21           by the company or should be redirected to a specified mail  
22           or electronic mail address or specified telephone number;  
23           and

24           (4) designate a telephone number or mail or electronic  
25           mail address for the company to contact the covered  
26           individual if additional information or clarification is

1       necessary to process the confidential communications  
2       request.

3       (f) The Department shall work with companies and other  
4       stakeholders to ensure companies develop and implement  
5       effective and consumer friendly systems for receiving and  
6       processing confidential communications requests, and shall  
7       monitor compliance with this Section and collect, track, and  
8       investigate complaints relating to unauthorized disclosure of  
9       information under this Section.

10           (215 ILCS 5/356z.16)

11           Sec. 356z.16. Applicability of mandated benefits to  
12           supplemental policies. Unless specified otherwise, the  
13           following Sections of the Illinois Insurance Code do not apply  
14           to short-term travel, disability income, long-term care,  
15           accident only, or limited or specified disease policies: 355b,  
16           355c, 356b, 356c, 356d, 356g, 356k, 356m, 356n, 356p, 356q,  
17           356r, 356t, 356u, 356w, 356x, 356z.1, 356z.2, 356z.4, 356z.5,  
18           356z.6, 356z.8, 356z.12, 356z.14, 356z.19, 356z.21, 364.01,  
19           367.2-5, and 367e.

20           (Source: P.A. 97-91, eff. 1-1-12; 97-282, eff. 8-9-11; 97-592,  
21           eff. 1-1-12; 97-813, eff. 7-13-12; 97-972, eff. 1-1-13; 98-189,  
22           eff. 1-1-14.)

23           Section 30. The Health Maintenance Organization Act is  
24           amended by changing Section 5-3 as follows:

1 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

2 Sec. 5-3. Insurance Code provisions.

3 (a) Health Maintenance Organizations shall be subject to  
4 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,  
5 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,  
6 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,  
7 355b, 355c, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2,  
8 356z.4, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11,  
9 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19,  
10 356z.21, 356z.22, 364.01, 367.2, 367.2-5, 367i, 368a, 368b,  
11 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A,  
12 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of  
13 subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII,  
14 XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois  
15 Insurance Code.

16 (b) For purposes of the Illinois Insurance Code, except for  
17 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health  
18 Maintenance Organizations in the following categories are  
19 deemed to be "domestic companies":

20 (1) a corporation authorized under the Dental Service  
21 Plan Act or the Voluntary Health Services Plans Act;

22 (2) a corporation organized under the laws of this  
23 State; or

24 (3) a corporation organized under the laws of another  
25 state, 30% or more of the enrollees of which are residents

1 of this State, except a corporation subject to  
2 substantially the same requirements in its state of  
3 organization as is a "domestic company" under Article VIII  
4 1/2 of the Illinois Insurance Code.

5 (c) In considering the merger, consolidation, or other  
6 acquisition of control of a Health Maintenance Organization  
7 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

8 (1) the Director shall give primary consideration to  
9 the continuation of benefits to enrollees and the financial  
10 conditions of the acquired Health Maintenance Organization  
11 after the merger, consolidation, or other acquisition of  
12 control takes effect;

13 (2) (i) the criteria specified in subsection (1) (b) of  
14 Section 131.8 of the Illinois Insurance Code shall not  
15 apply and (ii) the Director, in making his determination  
16 with respect to the merger, consolidation, or other  
17 acquisition of control, need not take into account the  
18 effect on competition of the merger, consolidation, or  
19 other acquisition of control;

20 (3) the Director shall have the power to require the  
21 following information:

22 (A) certification by an independent actuary of the  
23 adequacy of the reserves of the Health Maintenance  
24 Organization sought to be acquired;

25 (B) pro forma financial statements reflecting the  
26 combined balance sheets of the acquiring company and

1           the Health Maintenance Organization sought to be  
2           acquired as of the end of the preceding year and as of  
3           a date 90 days prior to the acquisition, as well as pro  
4           forma financial statements reflecting projected  
5           combined operation for a period of 2 years;

6           (C) a pro forma business plan detailing an  
7           acquiring party's plans with respect to the operation  
8           of the Health Maintenance Organization sought to be  
9           acquired for a period of not less than 3 years; and

10          (D) such other information as the Director shall  
11          require.

12          (d) The provisions of Article VIII 1/2 of the Illinois  
13          Insurance Code and this Section 5-3 shall apply to the sale by  
14          any health maintenance organization of greater than 10% of its  
15          enrollee population (including without limitation the health  
16          maintenance organization's right, title, and interest in and to  
17          its health care certificates).

18          (e) In considering any management contract or service  
19          agreement subject to Section 141.1 of the Illinois Insurance  
20          Code, the Director (i) shall, in addition to the criteria  
21          specified in Section 141.2 of the Illinois Insurance Code, take  
22          into account the effect of the management contract or service  
23          agreement on the continuation of benefits to enrollees and the  
24          financial condition of the health maintenance organization to  
25          be managed or serviced, and (ii) need not take into account the  
26          effect of the management contract or service agreement on

1 competition.

2 (f) Except for small employer groups as defined in the  
3 Small Employer Rating, Renewability and Portability Health  
4 Insurance Act and except for medicare supplement policies as  
5 defined in Section 363 of the Illinois Insurance Code, a Health  
6 Maintenance Organization may by contract agree with a group or  
7 other enrollment unit to effect refunds or charge additional  
8 premiums under the following terms and conditions:

9 (i) the amount of, and other terms and conditions with  
10 respect to, the refund or additional premium are set forth  
11 in the group or enrollment unit contract agreed in advance  
12 of the period for which a refund is to be paid or  
13 additional premium is to be charged (which period shall not  
14 be less than one year); and

15 (ii) the amount of the refund or additional premium  
16 shall not exceed 20% of the Health Maintenance  
17 Organization's profitable or unprofitable experience with  
18 respect to the group or other enrollment unit for the  
19 period (and, for purposes of a refund or additional  
20 premium, the profitable or unprofitable experience shall  
21 be calculated taking into account a pro rata share of the  
22 Health Maintenance Organization's administrative and  
23 marketing expenses, but shall not include any refund to be  
24 made or additional premium to be paid pursuant to this  
25 subsection (f)). The Health Maintenance Organization and  
26 the group or enrollment unit may agree that the profitable

1           or unprofitable experience may be calculated taking into  
2           account the refund period and the immediately preceding 2  
3           plan years.

4           The Health Maintenance Organization shall include a  
5           statement in the evidence of coverage issued to each enrollee  
6           describing the possibility of a refund or additional premium,  
7           and upon request of any group or enrollment unit, provide to  
8           the group or enrollment unit a description of the method used  
9           to calculate (1) the Health Maintenance Organization's  
10          profitable experience with respect to the group or enrollment  
11          unit and the resulting refund to the group or enrollment unit  
12          or (2) the Health Maintenance Organization's unprofitable  
13          experience with respect to the group or enrollment unit and the  
14          resulting additional premium to be paid by the group or  
15          enrollment unit.

16          In no event shall the Illinois Health Maintenance  
17          Organization Guaranty Association be liable to pay any  
18          contractual obligation of an insolvent organization to pay any  
19          refund authorized under this Section.

20          (g) Rulemaking authority to implement Public Act 95-1045,  
21          if any, is conditioned on the rules being adopted in accordance  
22          with all provisions of the Illinois Administrative Procedure  
23          Act and all rules and procedures of the Joint Committee on  
24          Administrative Rules; any purported rule not so adopted, for  
25          whatever reason, is unauthorized.

26          (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-437,

1 eff. 8-18-11; 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805,  
2 eff. 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14;  
3 98-1091, eff. 1-1-15.)

4 Section 35. The Limited Health Service Organization Act is  
5 amended by changing Section 4003 as follows:

6 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

7 Sec. 4003. Illinois Insurance Code provisions. Limited  
8 health service organizations shall be subject to the provisions  
9 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,  
10 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,  
11 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 355c, 356v,  
12 356z.10, 356z.21, 356z.22, 368a, 401, 401.1, 402, 403, 403A,  
13 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA, VIII  
14 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the  
15 Illinois Insurance Code. For purposes of the Illinois Insurance  
16 Code, except for Sections 444 and 444.1 and Articles XIII and  
17 XIII 1/2, limited health service organizations in the following  
18 categories are deemed to be domestic companies:

19 (1) a corporation under the laws of this State; or

20 (2) a corporation organized under the laws of another  
21 state, 30% of more of the enrollees of which are residents  
22 of this State, except a corporation subject to  
23 substantially the same requirements in its state of  
24 organization as is a domestic company under Article VIII

1           1/2 of the Illinois Insurance Code.

2           (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.  
3           1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091,  
4           eff. 1-1-15.)

5           Section 40. The Voluntary Health Services Plans Act is  
6           amended by changing Section 10 as follows:

7           (215 ILCS 165/10) (from Ch. 32, par. 604)

8           Sec. 10. Application of Insurance Code provisions. Health  
9           services plan corporations and all persons interested therein  
10          or dealing therewith shall be subject to the provisions of  
11          Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,  
12          143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 355c,  
13          356g, 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x,  
14          356y, 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,  
15          356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,  
16          356z.19, 356z.21, 356z.22, 364.01, 367.2, 368a, 401, 401.1,  
17          402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and  
18          (15) of Section 367 of the Illinois Insurance Code.

19          Rulemaking authority to implement Public Act 95-1045, if  
20          any, is conditioned on the rules being adopted in accordance  
21          with all provisions of the Illinois Administrative Procedure  
22          Act and all rules and procedures of the Joint Committee on  
23          Administrative Rules; any purported rule not so adopted, for  
24          whatever reason, is unauthorized.

1 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-486,  
2 eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813,  
3 eff. 7-13-12; 98-189, eff. 1-1-14; 98-1091, eff. 1-1-15.)".